



ELITE COMMERCIAL REIT RECEIVES ITS THREE MONTHS ADVANCE RENT FROM THE UK GOVERNMENT – FIRST SINCE LISTING

- ***Portfolio income visibility enhanced as the Manager secured waivers or extension of the break options for two properties***
- ***Over 99.0% of the gross rental income received is derived from leases with the UK Government, signed directly with The Secretary of State for Housing, Communities and Local Government***
- ***Portfolio's stable and recession-resistant cash flow is backed by its uniquely counter-cyclical tenant – the Department for Work and Pensions ("DWP")***

SINGAPORE, 2 April 2020 – Elite Commercial REIT Management Pte. Ltd., the manager (the "**Manager**") of Elite Commercial REIT (the "**REIT**"), today announced that, it has received the first three months advance rent for the period 1 April 2020 to 30 June 2020 from The Secretary of State for Housing, Communities and Local Government, in accordance with the lease agreements. This is the first rent payment due since listing.

The Manager is pleased to update that the lease for Lodge House, Bristol will now expire on 31 March 2028 as the tenant has not exercised its option to break in accordance with the tenancy agreement. In addition, the Manager has also reached an agreement with the tenant to extend the break option for John Street, Sunderland by 12 months to 31 March 2022.

Elite Commercial REIT derives over 99.0% of gross rental income from the full repairing and insuring (triple net) leases from the UK Government. Rated AA and Aa2 by S&P and Moody's respectively, the UK Government has one of the lowest debt-to-GDP ratios amongst the G7 countries. Accordingly, the risk of any rent delay or default from the remaining tenants amounts to only 0.55% of the Portfolio's rent revenue.

Oversea-Chinese Banking Corporation Limited ("**OCBC**") and UBS AG, Singapore Branch ("**UBS**") are the joint issue managers for the Offering. OCBC, UBS, CGS-CIMB Securities (Singapore) Pte. Ltd. and China International Capital Corporation (Singapore) Pte. Limited are the joint bookrunners and underwriters for the Offering (collectively, the "**Joint Bookrunners**").

The REIT's Portfolio ("**Portfolio**") is primarily occupied by the DWP, which is the UK Government's largest public service department that is responsible for crucial welfare, pensions and child maintenance policy and serves approximately 20 million claimants¹. 82.5%² of the REIT's Portfolio is used as Jobcentre Plus³, providing key front-of-house services such as unemployment, pension, child maintenance and disability services. DWP is integral to the UK social fabric and it is also a uniquely counter-cyclical occupier with its claimant counts, job centre footfall and benefit spending all highly correlated with the UK economic conditions.

Ms Shaldine Wang, Chief Executive Officer of the Manager said, "Notwithstanding the looming economic uncertainties triggered by the COVID-19 pandemic, we remain confident of the resiliency of our Portfolio, backed by the DWP's counter-cyclical attributes and the Portfolio being crucial infrastructure for the provision of its services in the UK. Our receipt of three months advance rent and the extension of the leases demonstrate the REIT's cash flow stability. At the same time, we will continue to pursue an active tenancy management strategy and have regular dialogue with our existing tenants."

In addition, the Manager is pleased to welcome asset management veteran, Mr. James Tootell on board under its Sponsor, Elite Partners Holdings Pte. Ltd. ("**EPH**") as Head of Asset Management (UK) with effect from 1 April 2020. Mr Tootell's services will be provided to the Manager by way of an outsourcing arrangement with EPH. He has over 15 years of transactional asset management experience across the UK, extensive knowledge of the REIT's Portfolio and well-established relationship with the primary occupier, the DWP. Mr Tootell will assist and report directly to the Manager on all asset management matters of the REIT.

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¹ Source: *Independent United Kingdom Property Market Research Report*.

² Based on number of assets.

³ Jobcentre Plus, which is part of the DWP, is a government-funded employment agency and social security office whose aim is to help people of working age find employment in the UK.

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About Elite Commercial REIT

Elite Commercial REIT is a Singapore real estate investment trust established with the investment strategy of principally investing, directly or indirectly, in commercial assets and real estate-related assets in the United Kingdom (“**UK**”). Listed on Singapore Exchange Securities Trading Limited (SGX-ST) on 6 February 2020, Elite Commercial REIT is the first and only UK-focused listed REIT in Singapore.

Elite Commercial REIT’s portfolio (“**Portfolio**”) comprises 97 predominantly freehold⁴ quality commercial buildings located across the UK, with a total net internal area of approximately 2.6 million square feet and a total site area of approximately 47 hectares. The Portfolio is valued at approximately GBP 319.1 million as at 31 August 2019⁵.

The Portfolio offers a stable cash flow with over 99.0% of the gross rental income derived from the AA-rated UK Government and a long weighted average lease expiry of 8.6 years⁶. The full repairing and insuring (triple net) leases⁷ with the UK Government include rental escalations that is linked to the UK Consumer Price Index. The Portfolio is primarily occupied by the Department for Work and Pensions (“**DWP**”), the UK’s largest public service department that is responsible for welfare, pensions and child maintenance for approximately 20 million claimants. DWP is a uniquely counter-cyclical occupier and the Portfolio is crucial public infrastructure for the provision of DWP services.

Elite Commercial REIT’s key objectives are to provide Unitholders with regular and stable distributions and to achieve long-term growth in distribution and net asset value per unit, while maintaining an appropriate capital structure through disciplined execution of its key strategies.

Elite Commercial REIT is managed by Elite Commercial REIT Management Pte. Ltd., which is 85% owned by Elite Partners Holdings Pte. Ltd. and 15% owned by Sunway RE Capital Pte. Ltd..

⁴ Of the 97 properties, 96 properties are freehold properties and one property is on a long leasehold tenure expiring on 19 May 2255.

⁵ Based on the valuation report prepared by Colliers International Valuation UK LLP.

⁶ As at 31 August 2019.

⁷ Under a full repairing and insuring (triple net) lease, the responsibility for the repair of the external, internal and structural format of the property is placed with the tenant. Elite Commercial REIT, as the landlord, has no repairing or insuring liability and will not be required to bear the costs of material repairs to the Properties, if any.

About the Sponsors

Elite Partners Holdings (“EPH”)

Headquartered in Singapore, EPH is the investment holding firm for Elite Partners Group, established to deliver lasting value for investors based on common interests, long-term perspectives and a disciplined approach. Backed by a team with proven expertise in private equity and REITs, its threefold investment philosophy aims to protect investors’ initial capital, enhance investment value and create new growth opportunities.

Ho Lee Group (“HLG”)

Headquartered in Singapore, HLG has extensive experience across the real estate value chain, from general building construction to industrial and residential development. HLG was also one of the major sponsors of Viva Industrial Trust during its initial public offering and listing on the SGX-ST in November 2013.

Sunway Re Capital Pte. Ltd. (“Sunway”)

Sunway is a wholly-owned subsidiary of Sunway Berhad. Sunway Berhad is one of Malaysia’s largest conglomerates with businesses in property development, property investment and REIT, construction, healthcare, hospitality, leisure, quarry, building materials, and trading and manufacturing. The Sunway Berhad Group comprises three publicly listed entities, Sunway Berhad, Sunway Construction Group Berhad, and Sunway REIT.

About the Manager, Elite Commercial REIT Management Pte. Ltd.

The Manager is Elite Commercial REIT Management Pte. Ltd., which is owned by EPH (85.0%) and Sunway (15.0%). The Manager’s key objectives are to provide Unitholders with regular and stable distributions and to achieve long-term DPU and NAV per Unit, while maintaining an appropriate capital structure.

IMPORTANT NOTICE

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of Elite Commercial REIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of units in Elite Commercial REIT (“Units”) and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by the Manager, Perpetual (Asia) Limited (as trustee of Elite Commercial REIT) or the Sponsors of Elite Commercial REIT or any of their respective affiliates.

An investment in the Units is subject to investment risks, including the possible loss of principal amount invested. Holders of Units (“Unitholders”) have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of Elite Commercial REIT is not necessarily indicative of the future performance of Elite Commercial REIT.

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Predictions, projections and forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of Elite Commercial REIT. The forecast financial performance of Elite Commercial REIT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.

This announcement is not an offer for sale of the Units in the United States or any other jurisdiction. The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold in the United States unless registered under the Securities Act, or pursuant to an applicable exemption from registration. There is no intention to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

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